



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR S.B. 1585

homelessness; rights; eviction; housing; appropriation

Purpose

An emergency measure that outlines requirements for the Department of Economic Security (DES), the Arizona Department of Housing (ADOH) and the Arizona Department of Administration (ADOA) relating to affordable housing grants, pilot programs, rental assistance and eviction prevention. Establishes the Homeless Shelter and Services Fund (Fund) and appropriates \$145,000,000 from the state General Fund in FY 2024 to the Fund to award grants to counties, cities, towns, Indian tribes and nonprofit organizations for programs that provide shelter and services to unsheltered persons who are experiencing homelessness. Appropriates \$10,000,000 from the state General Fund in FY 2024 to DES to distribute for rental assistance to persons who are at least 65 years old.

Background

The DES Homeless Coordination Office (Office) provides coordination and assistance to public and private nonprofit organizations that prevent homelessness or aid homeless individuals and families. The Office must: 1) promote and participate in planning for homelessness prevention and the development of services to homeless persons; 2) identify and develop strategies for resolving barriers in state agency service delivery systems that inhibit appropriate services to homeless persons and persons in danger of being homeless; 3) assist in the coordination of federal, state and local governments and private sector activities that prevent homelessness or provide assistance to homeless people; 4) assist in obtaining and increasing funding from all appropriate sources to prevent homelessness or assist in alleviating homelessness; 5) serve as a clearinghouse on information regarding funding and services available to assist homeless persons and persons in danger of being homeless; 6) develop an annual comprehensive homeless assistance plan to prevent and alleviate homelessness; and 7) submit an annual report to the Governor, the President of the Senate and the Speaker of the House of Representatives on the status of homelessness and efforts to prevent and alleviate homelessness ([A.R.S. § 41-1954](#)).

ADOH establishes policies, procedures and programs to address the affordable housing issues confronting Arizona, including housing issues of low-income families, housing affordability and the decaying housing stock ([A.R.S. § 41-3953](#)).

S.B. 1585 appropriates a total of \$155,000,000 from the state General Fund in FY 2024 to the Fund and DES.

Provisions

DES Rental Assistance and Eviction Prevention

1. Appropriates \$10,000,000 from the state GF in FY 2024 to DES to distribute for rental assistance and eviction prevention for persons who are at least 65 years old and exempts the appropriation from lapsing.

Homeless Shelter and Services Fund

2. Establishes the Fund, administered by ADOH, and consisting of legislative appropriations, other monies directed for deposit and investment earnings on Fund monies.
3. Appropriates \$145,000,000 from the state GF in FY 2024 to the Fund and specifies that the appropriation is exempt from lapsing.
4. Specifies that monies Fund monies are continuously appropriated and exempt from lapsing.
5. Requires the State Treasurer to invest and divest monies in the Fund and requires monies earned from investment to be credited to the Fund.
6. Requires ADOH to use Fund monies to award grants to counties, cities, towns, Indian tribes and nonprofit organizations for programs that provide shelter and services to unsheltered persons who are experiencing homelessness.
7. Requires ADOH, by December 31 of each year, to submit a report to the Governor, President of the Senate and the Speaker of the House of Representatives describing all grants awarded in that year.
8. Distributes Fund monies as follows:
 - a) \$70,000,000 in FY 2024 for the ADOH Sanctioned Facilities Grant Program;
 - b) \$25,000,000 in FY 2024 for the ADOH Affordable Housing Opportunities Pilot Program;and
 - c) \$50,000,000 in FY 2024 for the ADOA Affordable Housing Opportunities Pilot Program.
9. Requires ADOH to prioritize awarding grants to cities, towns and counties that have an established program that meets the grant requirements.
10. Requires an eligible program to:
 - a) allow homeless individuals to be compensated for daily work;
 - b) offer a daily remuneration rate; and
 - c) help participants to access support services.
11. Requires a participating city, town or county to provide a dollar-for-dollar local match for each grant dollar received.

ADOA Affordable Housing Pilot Program

12. Requires ADOA to develop an Affordable Housing Pilot Program that:
 - a) provides affordable housing opportunities to individuals experiencing homelessness;
 - b) provides funding for the leasing of vacant commercial and hotel spaces, including state buildings, for a period of 36 to 48 months to individuals experiencing homelessness;
 - c) provides property owners and property managers in Arizona with resources to offer affordable housing to individuals experiencing homelessness;
 - d) provides comprehensive services and community outreach to individuals experiencing homelessness; and
 - e) establishes a statewide development program for individuals experiencing homelessness to secure stable housing and job placement.
13. Exempts ADOA from rulemaking requirements and allows ADOA to waive rules as necessary to implement ADOA's Affordable Housing Pilot Program.
14. Requires ADOA, by December 31 of each year, to submit a report to the Governor, President of the Senate and Speaker of the House of Representatives detailing the results of ADOA's Affordable Housing Pilot Program and any associated revenues and costs.
15. Requires ADOA to provide a copy of the report to the Secretary of State.
16. Repeals ADOA's Affordable Housing Pilot Program on January 1, 2028.

ADOH Sanctioned Facilities Grant Program

17. Allows ADOH to award grants to a municipality, tribe, county, consortium of municipalities and counties or nonprofit organizations in cooperation with a municipality or county to establish or operate sanctioned facilities for unsheltered individuals experiencing homelessness.
18. Defines *sanctioned facilities* as sanctioned transitional camping sites, noncongregate shelters, congregate emergency shelters or similar low-cost structures that can be assembled or obtained quickly.
19. Requires all sanctioned housing to:
 - a) include 24-hour daily access to sanitary facilities, potable water, appropriate weather respite facilities, facilities for pets and 24-hour on-site security, including fire response;
 - b) be integrated into the local coordinated entry system for homeless services;
 - c) set low barriers to entry for unsheltered individuals experiencing homelessness, subject to the protection of health and safety;
 - d) allow unsheltered individuals experiencing homelessness to store personal property in areas and amounts designated by the operation of sanctioned facilities; and
 - e) establish rules for the safety of the residents and stored property.

20. Allows an individual who violates an established sanctioned facility rule to be removed from the sanctioned facility.
21. Requires ADOH, upon enactment, to establish a competitive process for awarding sanctioned housing grants.
22. Requires grant applications to be annually submitted by December 31 of each year and requires ADOH to consider the following when selecting grant recipients:
 - a) the amount of monies requested;
 - b) the duration of the proposed sanctioned housing program, including an estimate of the time necessary to complete construction or to make the program operational;
 - c) the number of sanctioned facility sites or other sites to be operated;
 - d) the applicant's plans to facilitate and support a continuum of care service model that assists unsheltered individuals experiencing homelessness;
 - e) the plan for operating sites that meets prescribed sanctioned housing requirements; and
 - f) a description of outreach methods to facilitate reducing the unsheltered population, including the use of multidisciplinary homeless outreach teams.
23. Allows a municipality to submit a sanctioned facility application to be provided within special service areas used for homeless services and designated by the municipality and requires a municipality to take reasonable measures to mitigate impacts on adjacent property owners or business owners.
24. Requires a municipality, in addition to the grant application, to provide:
 - a) the boundaries of the proposed special service area; and
 - b) the relevant census number of unsheltered individuals experiencing homelessness as determined by the municipality.
25. Applies the following requirements when determining the reduction of unsheltered homelessness for grant programs:
 - a) goal attainment factors must initially be subtracted, and subsequently by any additional reductions, from the number established by the unsheltered homeless census conducted in 2023;
 - b) goal attainment factors must include all housing services provided by the grantee or any organization located or operating within the grantee's jurisdiction since the 2023 unsheltered homeless census; and
 - c) the yearly goal must be applied to the year beginning 60 days from the date the Director of ADOH approves the grant.
26. Requires goal attainment factors for a special service area grant to be subtracted from a census count number determined by the municipality by identifying the area of a one-half mile circumference in the municipality in which the highest concentration of unsheltered individuals experiencing homelessness are located.
27. Requires the prescribed census count number to be determined by a census count acquired by the municipality within 30 days after the effective date and specifies that all other outlined goal attainment factors apply.

28. Exempts cities and towns with fewer than 50,000 persons from the reduction goals set forth for special service areas.
29. Requires a municipal grant recipient for housing in a special service area, contingent on full funding of the sanctioned housing program, to establish the following reduction goals:
 - a) 20 percent of the annual reduction goal in the first year; and
 - b) an additional reduction in the second year representing a cumulative reduction of 65 percent in two years.
30. Requires any other grant recipient, contingent on the full funding of the sanctioned housing program, to establish the following reduction goals:
 - a) 15 percent for unsheltered homelessness in the first year; and
 - b) a reduction in the second year the program is funded and operated representing a cumulative reduction of 40 percent in two years.
31. Requires a grantee, by March 1 of each year in which a sanctioned housing program is in operation and funded, to submit a report to the Director of ADOH indicating the results of its reduction goals.
32. Requires ADOH to disburse grant monies to a municipality, tribe, county, consortium of municipalities and counties or nonprofit organization in cooperation with a municipality or county to establish or support multidisciplinary homeless outreach teams.
33. Requires a multidisciplinary homeless outreach team to:
 - a) be composed of peer providers or mental health providers and social service providers or contracted security officers; and
 - b) work to move individuals who are camping and sleeping in public or private places not fit for human habitation into homeless services, housing shelters or sanctioned facilities.
34. Allows ADOH to disburse grant monies to a municipality, tribe, county, consortium of municipalities and counties or nonprofit organization in cooperation with a municipality or county to establish or support mental health or substance abuse homeless shelters.
35. Requires a mental health or substance abuse homeless shelter to:
 - a) provide shelter for individuals experiencing homelessness who suffer from mental health or addiction issues; and
 - b) retain the services of individuals who are qualified to make mental health or substance abuse assessments.
36. Allows ADOH to disburse grant monies to municipalities that have established community homeless courts to provide funding for case managers, public defenders, prosecutors and addiction and mental health services not provided for by the Arizona Health Care Cost Containment System for unsheltered individuals experiencing homelessness.

37. Requires a community homeless court to:
 - a) be operated by a municipality that has instructed law enforcement officers citing unsheltered individuals experiencing homelessness for offenses related to sitting, camping, loitering or sleeping on public property to first offer shelter and services and issue a citation only after the individual refuses;
 - b) for cited individuals, assign a court date and offer any available voluntary programs; and
 - c) if a cited individual is compliant for a period of time as prescribed by the court, dismiss the individual's citation and outstanding fines.
38. Requires a community homeless court case manager to monitor program compliance and assist cited individuals with finding any appropriate services, including long term housing, medical treatment and employment counseling.
39. Specifies that the municipality, tribe, county or nonprofit operator of sanctioned facilities is not liable in any civil action that arises out of the operation of sanctioned facilities unless the claim involves intentional or grossly negligent conduct.
40. Allows ADOH to disburse grant monies to first care responder teams consisting of paramedics and licensed health care professionals to locate, administer aid to and provide medical services for individuals experiencing homelessness.
41. Requires a first team care responder to:
 - a) locate and approach individuals experiencing homelessness and offer aid and other medical services to them;
 - b) at the request of an individual experiencing homelessness, transport the individual to a homeless shelter or other aid center; and
 - c) act as the first point of contact for individuals experiencing homelessness before law enforcement officers are contacted.

Miscellaneous

42. Contains a statement of legislative intent.
43. Becomes effective on signature of the Governor, if the emergency clause is enacted.

Amendments Adopted by Committee

1. Removes the \$150,000,000 appropriation to ADOH for the Sanctioned Facility Grant Program.
2. Removes the \$50,000,000 appropriation to ADOH for the Affordable Housing Pilot Program.
3. Establishes the Fund and appropriates \$145,000,000 for outlined purposes from the state GF in FY 2024 to the Fund.
4. Reduces the DES Rental Assistance appropriation, from \$290,000,000 to \$10,000,000.

5. Removes the Homeless Persons' Bill of Rights.
6. Removes the Administrative Office of the Courts (AOC) Eviction Prevention Program, the \$6,000,000 appropriation to AOC for the Eviction Prevention Program and the outlined requirements relating to the implementation of the Eviction Prevention Program.
7. Requires ADOA to submit an annual report to outlined individuals on the Affordable Housing Pilot Program, rather than only in 2027.
8. Specifies that the reduction goals set forth for special service areas for grant recipients that provide sanctioned facilities do not apply to cities and towns with a population of fewer than 50,000 persons.
9. Removes the ADOH Affordable Housing Pilot Program.
10. Prescribes the use of Fund monies and outlines reporting requirements.
11. Redefines *sanctioned housing* as *sanctioned facilities* and modifies the requirements of sanctioned facilities.
12. Makes technical and conforming changes.

Senate Action

JUD	2/13/23	W/D	
APPROP	2/23/23	DPA	7-3-0

Prepared by Senate Research
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LMM/SB/sr